

The launch of the Canadian Securities Administrators' semi-annual reporting pilot project for eligible venture issuers



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Key Takeaways

- On March 19, 2026, the Canadian Securities Administrators adopted Blanket Order 51-933, allowing eligible venture issuers to opt for semi-annual financial reporting.
- To participate in the semi-annual reporting pilot, issuers must meet specific criteria, including being a venture issuer having annual revenue of no more than \$10 million.
- While the shift to semi-annual financial reporting may reduce regulatory burden and costs, eligible venture issuers should consider potential implications.

On March 19, 2026, the Canadian Securities Administrators (CSA) adopted Coordinated Blanket Order 51-933 *Exemptions to Permit Semi-Annual Reporting for Certain Venture Issuers* (Blanket Order) to allow eligible venture issuers to participate in a pilot project (the SAR pilot) permitting them to voluntarily elect to shift from quarterly to semi-annual financial reporting.

Through the Blanket Order and Ontario Securities Commission Rule 51-507 *Exemptions to Permit Semi-Annual Reporting of Certain Venture Issuers* (the OSC Rule), as applicable, the SAR pilot provides an exemption for venture issuers listed on the TSX Venture Exchange (TSXV) and the Canadian Securities Exchange (CSE) who have annual revenue of no more than \$10 million and meet certain other eligibility criteria from the requirement to file three and nine-month interim financial reports and related management's discussion and analysis (the exemption) under section 4.3(1) of National Instrument 51-102, *Continuous Disclosure Obligations* (NI 51-102). The SAR pilot reduces ongoing quarterly financial reporting requirements but does not otherwise change the continuous disclosure regime applicable to venture issuers. The CSA introduced the SAR pilot in response to stakeholder concerns that the costs associated with preparing such quarterly reports may exceed the benefits of providing such quarterly reports to investors and the market.

Eligibility

Participation in the SAR pilot is entirely voluntary and is limited to eligible venture issuers. To participate in the SAR pilot and rely on the Blanket Order, an issuer must opt-in by issuing

and filing a news release announcing its intention to rely on the exemption. In addition, the issuer must satisfy, among other things, the following conditions at the end of each relevant three- and nine-month interim period:

- be a reporting issuer in at least one Canadian jurisdiction for at least 12 months
- be a venture issuer with securities listed on either the TSXV or the CSE
- have no more than \$10 million in revenue for its most recent financial year end
- have satisfied all periodic and timely disclosure obligations and
- during the preceding 12 months, the issuer:
 - was not the subject of a penalty or sanction, with the exception of administrative monetary penalties for late filings
 - was not the subject of a cease trade order or other similar order, which was not revoked within 30 days of its issuance and
 - did not cease to rely on the exemption

Loss of eligibility

An issuer must cease relying on the exemption if it changes its financial year-end or files a base shelf prospectus. In addition, an issuer will not be eligible to rely on the exemption if, in the preceding 12 months, it has ceased to rely on the exemption. An exception to this applies to issuers who prepare and file quarterly interim financial disclosure documents in connection with prospectus offerings or other transactions — in such instances, issuers will not be deemed to have ceased to rely on the Blanket Order and will therefore not be subject to the 12-month cool down period.

Upon ceasing to rely on the exemption, issuers are required to comply with all quarterly financial reporting requirements, including the disclosure of comparative financial information for all corresponding periods as required by NI 51-102. This means that while quarterly reports may not need to be filed pursuant to the Blanket Order, an issuer may inevitably need to prepare such information for disclosure in subsequent filings.

Impact on financings and transactions

The SAR pilot is principally a continuous disclosure initiative and does not modify prospectus or transaction-related disclosure requirements. If an eligible venture issuer has an existing base shelf prospectus on file, it must not file a shelf prospectus supplement or distribute securities under an existing shelf prospectus supplement while relying on the exemption, and an eligible venture issuer that has filed a short form prospectus must not rely on the exemption during the period of distribution under the short form prospectus.

In practice, this creates potential friction for issuers accessing the capital markets or completing an issuer bid, a take-over bid or a business combination, arrangement or other restructuring transaction involving an issuance, exchange, change or distribution of securities pursuant to a circular:

- quarterly reports remain a requirement for prospectus offerings and prospectus level disclosure required in circulars
- an issuer may be required to revert to quarterly reporting during a distribution period and
- timing considerations may arise where interim financial disclosure becomes due in the course of a transaction.

Accordingly, issuers that anticipate near-term financing activity pursuant to a prospectus or strategic transactions which would require prospectus level disclosure in a circular should carefully assess whether participation in the SAR pilot aligns with their near-term activities.

Additional considerations

For eligible venture issuers, the exemption may provide a meaningful reduction in regulatory burden, particularly for smaller issuers with limited revenue or those in pre-revenue stages of development. Resource-focused issuers, including those engaged in early-stage mineral exploration, may find this relief especially beneficial given their operational profiles. However, issuers will need to consider the potential implications of participation in the Blanket Order and determine how it aligns with the issuer's business plans. While the short-term cost savings may be advantageous, issuers should also consider how best to manage the trade-offs.

Market perception: From a broader perspective, issuers should consider whether more infrequent disclosure of financial results will satisfy investor expectations or negatively impact market perception as investors will have less access to timely financial information. Although all periodic and timely disclosure and material change reporting obligations remain applicable to issuers relying on the exemption, issuers may wish to consider whether supplementary voluntary communications, such as operational updates or periodic news releases, would assist in maintaining market confidence if they choose to rely on the exemption.

Operational realities and disclosure asymmetry: In many cases, issuers may continue to prepare quarterly financial reports for internal purposes (including board reporting, lender requirements or transaction readiness), which may limit the practical cost savings associated with the exemption and will require issuers to consider the implications on normal course blackout periods implemented in connection with period ends. The SAR pilot may increase the risk that certain stakeholders (e.g., lenders or counterparties in lending arrangements or financings) receive more frequent financial information than public investors, which may raise considerations around information asymmetry and disclosure practices.

Consistency of disclosure cadence: Issuers should also be mindful of the potential impact on future financings and transactions. Frequent transitions in and out of the SAR pilot (for example, in connection with financings) may create confusion in the market and should be managed carefully.

Future developments

Although the Blanket Order is generally intended to be effective until repealed, the CSA has indicated that comments and feedback received during the SAR pilot will be used to inform future rule-making projects relating to semi-annual reporting. Notably, in Ontario, the Blanket Order is subject to an 18-month sunset period, expiring on September 19, 2027, after which the OSC Rule is intended to maintain the availability of the exemptions on a permanent basis, subject to ministerial approval. In all other CSA jurisdictions, the Blanket Order does not include an expiry date. The CSA will monitor the SAR pilot closely and use data and stakeholder feedback to inform any future rule-making initiative.

The United States Securities and Exchange Commission (SEC) has also indicated that its proposed semi-annual reporting plan has advanced to the White House for review. Like the Blanket Order, the proposed regime would allow public companies to move to a voluntary semi-annual reporting regime. One key difference between the SEC's proposed plan and the

Blanket Order is that the SEC's proposed plan is not expected to be limited to venture or similar issuers. While this initiative has not yet been finalized, the implications could be extensive given the broader scope. We expect that the CSA will be closely monitoring the developments in the U.S.